

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

UNITED STATES POSTAL SERVICE  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO  
THE OFFICE OF THE CONSUMER ADVOCATE WITNESS SMITH  
(USPS/OCA-T4-44-48)

Pursuant to rules 25 through 27 of the Rules of Practice and procedure, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Smith:  
USPS/OCA-T4-44-48.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



Susan M. Duchek

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June 19, 2000

USPS/OCA-T4-44. Please confirm that panel data, by definition, have both cross-section and time series dimensions. If you do not confirm, please explain fully.

USPS/OCA-T4-45. Please refer to your testimony at page 40, lines 10-12. You state, "The concepts of the short run and the long run are clear from the viewpoint of theoretical economics. In the *short run*, some of the factors of production (for example, labor) are variable. In the *long run*, all of the factors of production are variable [emphasis in original]." Please consider a period of time over which some the factors of production are not variable. Please confirm that, "from the viewpoint of theoretical economics," such a period of time would correspond to the economic concept of the short run, regardless of the amount of calendar time involved. If you do not confirm, please reconcile your answer with the statement from your testimony quoted above.

USPS/OCA-T4-46. Please refer to your testimony at page 57, line 3. Please provide a precise definition of the term "total cost" as you use it in the cited location.


USPS/OCA-T4-47. Please refer to your testimony at page 63, lines 11-13. You state, "Figure 5 has two types of plots in it. The facility by facility plots (labeled 'Plant A' and 'Plant B') are the types of plots that both Dr. Bradley and Dr. Bozzo generate and estimate."

- a. Please provide detailed citation(s) to Dr. Bozzo's testimony, USPS-T-15, or USPS-LR-I-107, indicating the basis for your statement that Dr. Bozzo generates "facility by facility plots."
- b. What, precisely, do you mean by your statement that Dr. Bozzo estimates "facility by facility plots"? Specifically, does your statement indicate that you believe Dr. Bozzo's estimation methods are equivalent to estimating regression models separately for each facility? Please explain fully.

USPS/OCA-T4-48. Please indicate the basis for your statement at page 63, line 17, "The mail-processing network consists of over 300 plants."

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
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